

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS ☒ WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

990311 LA'D eff 3-8-99!

DATE FILED OCTOBER 30, 1997

LAND: FEE & PATENTED STATE LEASE NO.

PUBLIC LEASE NO.

INDIAN #

DRILLING APPROVED: MARCH 24, 1998

14-20-H62-3506

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR.

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: 3-8-99 LA'D

FIELD: ANTELOPE CREEK

UNIT:

COUNTY: DUCHESNE

WELL NO. UTE TRIBAL 07-03

API NO. 43-013-31975

LOCATION 630 FNL FT. FROM (N) (S) LINE. 1776 FWL

FT. FROM (E) (W) LINE. NE NW

1/4 - 1/4 SEC.

7

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

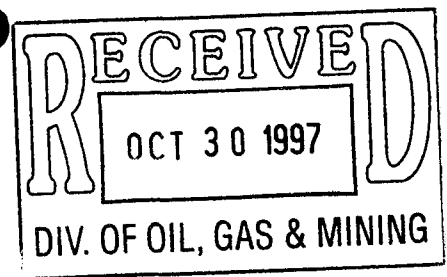
5S

3W

7

PETROGLYPH OPERATING

Petroglyph Operating Co., Inc.
P.O. Box 1839
Hutchinson, KS 67504-1839



October 14, 1997

Utah Division of Oil, Gas, & Mining
1594 West North Temple
Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
UTE TRIBAL #07-03
NE/NW, SEC. 7, T4S, R3W
DUCHESNE COUNTY, UTAH
LEASE NO. 14-20-H62-3506
SURFACE OWNER: Ute Indian Tribe and
Elmer R. Moon

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone # (801) 789-4120
Fax # (801) 789-1420

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Trotter".

Ed Trotter
Agent

Petroglyph Operating Co., Inc.

Attachments

/EHT/dmt

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

PETROGLYPH OPERATING CO., INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 607, ROOSEVELT, UTAH 84066

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

630' FNL & 1776' FWL NE/NW

At proposed prod. zone

541

CONFIDENTIAL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

17.8 MILES SOUTHWEST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

630' ±

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

5901.3'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5883.3' GRADED GROUND

22. APPROX. DATE WORK WILL START*

OCTOBER 1997

23.

PROPOSED CASING AND CEMENTING PROGRAM

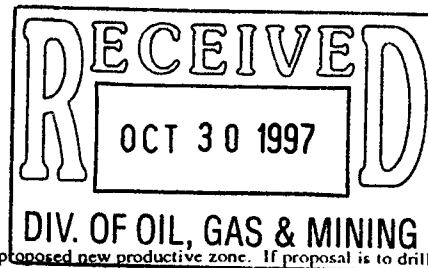
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	250'	135 sx class "G" + 2% CaCl ₂
7 7/8"	5 1/2"	15.5#	5901.3'	+ 1/4 #/sx celloflake.
				50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS). LIGHT CEMENT (11 PPG +) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+5% EXCESS).

CONFIDENTIAL

PETROGLYPH OPERATING COMPANY, INC. WILL BE THE DESIGNATED
OPERATOR OF THE SUBJECT WELL UNDER BOND #4556.

pc: Utah Division of Oil, Gas, and Mining
Bureau of Indian Affairs, Fort Duchesne, Utah

CONFIDENTIAL



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE AGENT FOR PETROGLYPH

DATE

10-23-97

(This space for Federal or State office use)

PERMIT NO.

43-013-31975

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

RECLAMATION SPECIALIST III

DATE

3/24/98

*See Instructions On Reverse Side

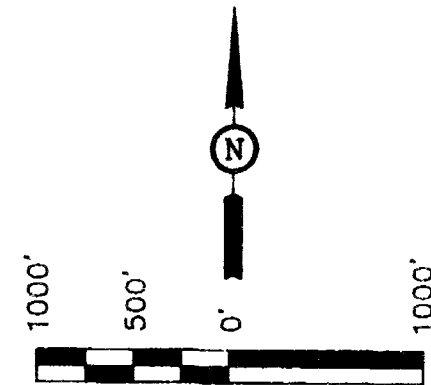
T5S, R3W, U.S.B.&M.

PETROGLYPH OPERATING CO., INC.

Well Location, UTE TRIBAL #07-03, located is shown in the NE 1/4 NW 1/4 of Section 7, T5S, R3W, U.S.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

BRASS CAP SET IN CONCRETE BY SUNRISE ENGINEERING LOCATED IN THE SE 1/4 OF SECTION 8, T5S, R3W, U.S.B.&M. SAID ELEVATION IS MARKED AS BEING 6191.3 FEET.



SCALE

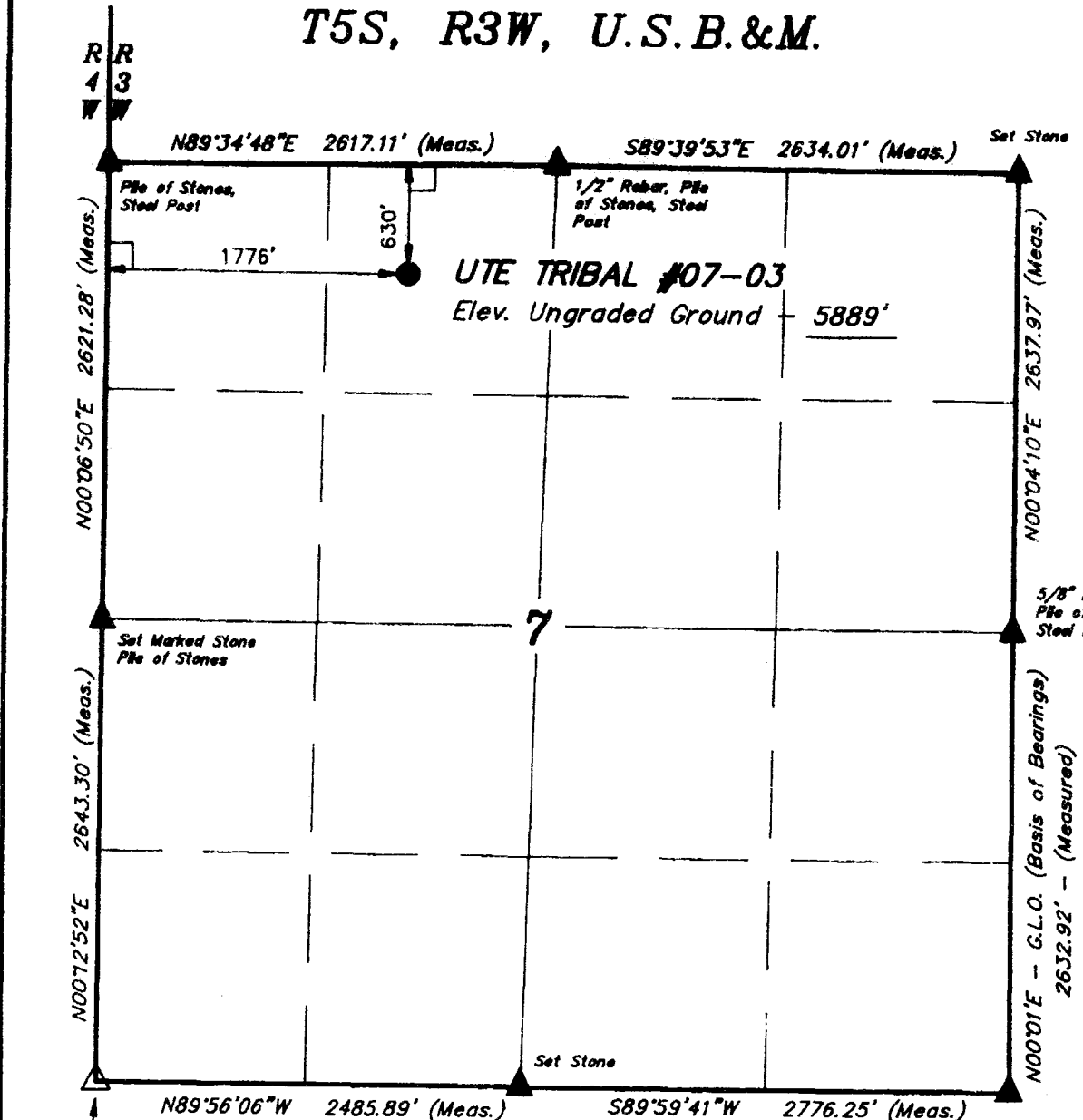
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE 1" = 1000'		DATE SURVEYED: 7-22-97	DATE DRAWN: 9-4-97
PARTY G.S. J.W. C.B.T.		REFERENCES G.L.O. PLAT	
WEATHER WARM		FILE PETROGLYPH OPERATING CO., INC.	



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = Section Corner Re-established by Bearing Tree Information. (Not Set on Ground)

Corner Established by Bearing Tree Information. (Not Set on Ground)

Set Marked Stone Pile of Stones

T5S

**PROPOSED LOCATION:
UTE TRIBAL #07-03**

MYTON 16.2 MI. +/-
BRIDGELAND 8.5 MI. +/-

0.9 MI. +/-

**PROPOSED ACCESS FOR
THE UTE #07-02 400' +/-**

PROPOSED ACCESS 0.6 MI. +/-

R4W R3W

LEGEND:

----- PROPOSED ACCESS ROAD
————— EXISTING ROAD

PETROGLYPH OPERATING CO., INC.

**UTE TRIBAL #07-03
SECTION 7, T5S, R3W, U.S.B.&M.
630' FNL 1776' FWL**

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1018
Email: uels@easilink.com

TOPOGRAPHIC MAP
8 26 97
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

B
LOPO



MEMORANDUM OF SURFACE USE AND
RIGHT-OF-WAY AGREEMENT

THIS MEMORANDUM WITNESSES:

THAT on the 16th day of June, 1997, between ELMER R. MOON FAMILY PARTNERSHIP, whose address is East Old Highway 40, Duchesne, Utah 84021 (GRANTOR), in consideration of the covenants and agreements contained in that certain Surface Use and Right-Of-Way Agreement dated JUNE 25th 1997 (the "Agreement"), has granted and conveyed, and by these presents does hereby grant and convey to PETROGLYPH OPERATING COMPANY, INC., whose address is 6209 North Highway 61, P.O. Box 1839, Hutchinson, Kansas 67502 (GRANTEE), certain rights of surface use, rights-of-way, and easements for the exploration, development, production, and transportation of oil and gas in, on, over, through and across certain real property owned by GRANTOR and situated in the County of Duchesne, State of Utah, and more particularly described as follows:

Township 4 South - Range 3 West USM

Section 20: SW/4, S/2 NW/4, SW/4 NE/4, NW/4 SE/4 less
SE/4 NW/4 SE/4 (9.90 ac)

Section 29: W/2, NW/4 SE/4

Section 30: N/2

Section 31: All less E/2 SE/4 (76.00 ac)

Section 32: NW/4 NW/4

Township 5 South - Range 3 West USM

Section 5: NW/4

Section 6: All less E/2 NE/4, SE/4 SE/4

Section 7: N/2 NW/4

Township 5 South - Range 4 West USM

Section 12: N/2 N/2

Containing 2,125.96 acres, more or less.

Said rights and uses are granted upon and subject to all of the terms and conditions set forth in the Agreement, executed by GRANTOR and GRANTEE, which Agreement is held by and can be inspected by parties having a vested interest in the Agreement and/or subject property during reasonable business hours at the offices of GRANTOR or GRANTEE. Such uses, rights-of-way and easements are granted for the full period of development of and the production life of any of the wells, appurtenances and facilities associated therewith.

IN WITNESS WHEREOF, this Memorandum has been duly executed this 25th day of JUNE, 1997.

GRANTOR ELMER R. MOON FAMILY PARTNERSHIP

By: Elmer R. Moon

By: Lee H. Moon

GRANTEE PETROGLYPH OPERATING COMPANY, INC.

By: Ed L. Irtter
Its: Agent

ACKNOWLEDGMENTS

STATE OF UTAH)
: ss.
COUNTY OF DUCHESNE)

The foregoing instrument was acknowledged before me this 25th day of June, 1997 by ELMER R. MOON FAMILY PARTNERSHIP.

Charlotte Jensen

Notary Public
Residing in: Duchesne, ut

Commission Expires:

5-2-98

ACKNOWLEDGMENT

STATE OF UTAH)
~~ELMER R. MOON~~
: ss.
COUNTY OF DUCHESNE)

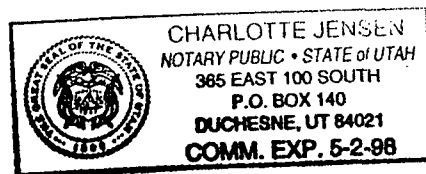
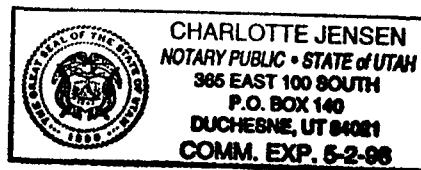
The foregoing instrument was acknowledged before me this 25th day of June, 1997 by Ed Irtter, the Agent of PETROGLYPH OPERATING COMPANY, INC.

Charlotte Jensen

Notary Public
Residing in: Duchesne, ut

My Commission Expires:

5-2-98



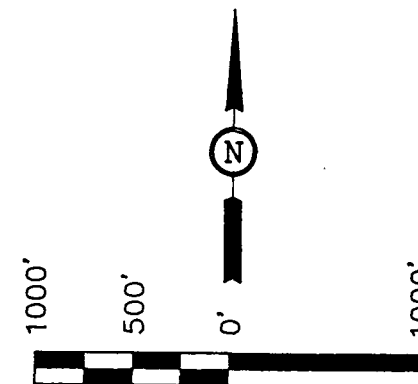
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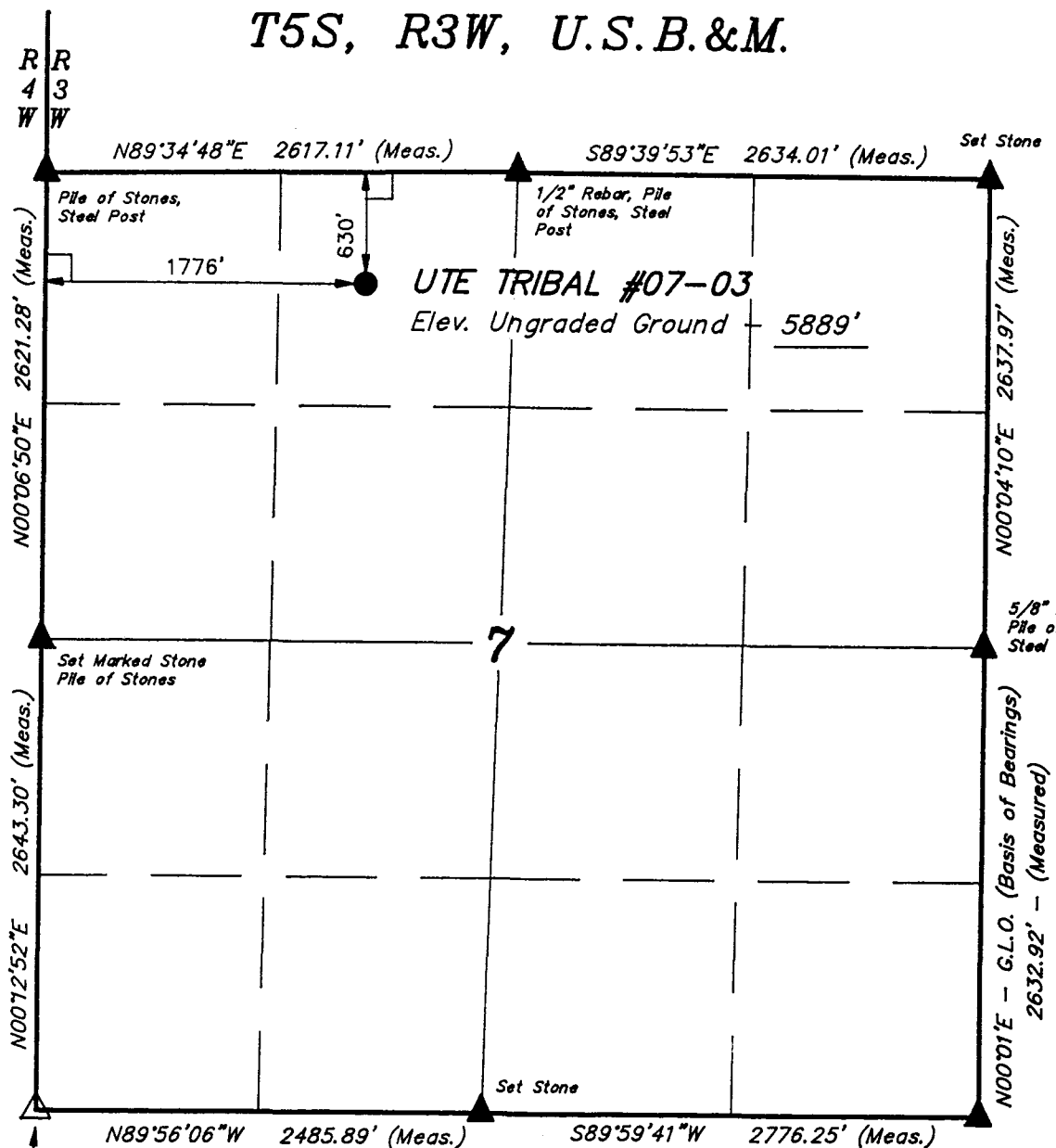
REGISTERED LAND SURVEYOR
REGISTRATION NO. 16131
STATE OF UTAH
Robert L. [Signature]

UNTAE ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 7-22-97	DATE DRAWN: 9-4-97
PARTY G.S. J.W. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PETROGLYPH OPERATING CO., INC.	



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Corner Established by Bearing Tree Information. (Not Set on Ground)

Set Marked Stone Pile of Stones

EIGHT POINT PLAN

UTE TRIBAL #07-03
NE/NW, SEC. 7, T5S R3W
DUCHESNE COUNTY, UTAH

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

FORMATIONS	DEPTH	SUBSEA
Mahogany Shale	2682.3	3211
"X" Marker	4298.3	1595
Douglas Creek	4442.3	1451
"B" Limestone	4837.3	1056
B/Castle Peak Limestone	5368.3	525
Basal Carbonate Limestone	5791.3	102
Total Depth	5901.3	-8

Anticipated BHP 2000 psi

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS FORMATIONS:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Oil/Gas	Douglas Creek	4442.3	1451
Oil/Gas	B/Castle Peak	5368.3	525
Other mineral zones	N/A		

3. PRESSURE CONTROL EQUIPMENT : BOP Schematic Diagram attached.

4. CASING PROGRAM :

<u>HOLE SIZE INTERVAL</u>						<u>MINIMUM SAFETY FACTOR</u>		
						<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12 1/4	0' - 250'	250'	8 5/8	24.0 #	J-55	1370 PSI	2950 PSI	263,000#
7 7/8	0' - 5901.3'	5901.3'	5 1/2	15.5 #	M-50	3650 PSI	4550 PSI	186,000#

All casing will be new or inspected.

EIGHT POINT PLAN

UTE TRIBAL #07-03
NE/NW, SEC. 7, T5S R3W
DUCHESNE COUNTY, UTAH

5. MUD PROGRAM

INTERVAL

0' - 250'
250' - 4000'
4000' - TD
TD

MUD TYPE

Air
Air/Mist & Aerated Water
Air/3% KCL water or KCL substitute
Gel/polyacrylamide polymer w/5-10% LCM

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

- A. Petroglyph Operating Co., Inc. requests a variance to regulations requiring a straight run blooie line.
- B. Petroglyph Operating Co., Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line.

7. EVALUATION PROGRAM:

Logs: Mud Logging
Compensated Density-Compensated Neutron Log
Dual Laterolog - Micro-SFL
Numar (Magnetic Resonance Imaging Log)

T.D. to base of surface csg.
T.D. to base of surface csg.
T.D. to base of surface csg.
@ Geologists discretion

Cores: None Programmed
DST: None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS:

None anticipated.

EIGHT POINT PLAN

UTE TRIBAL #07-03
NE/NW, SEC. 7, T5S R3W
DUCHESNE COUNTY, UTAH

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

2000 PSIG DIAGRAM

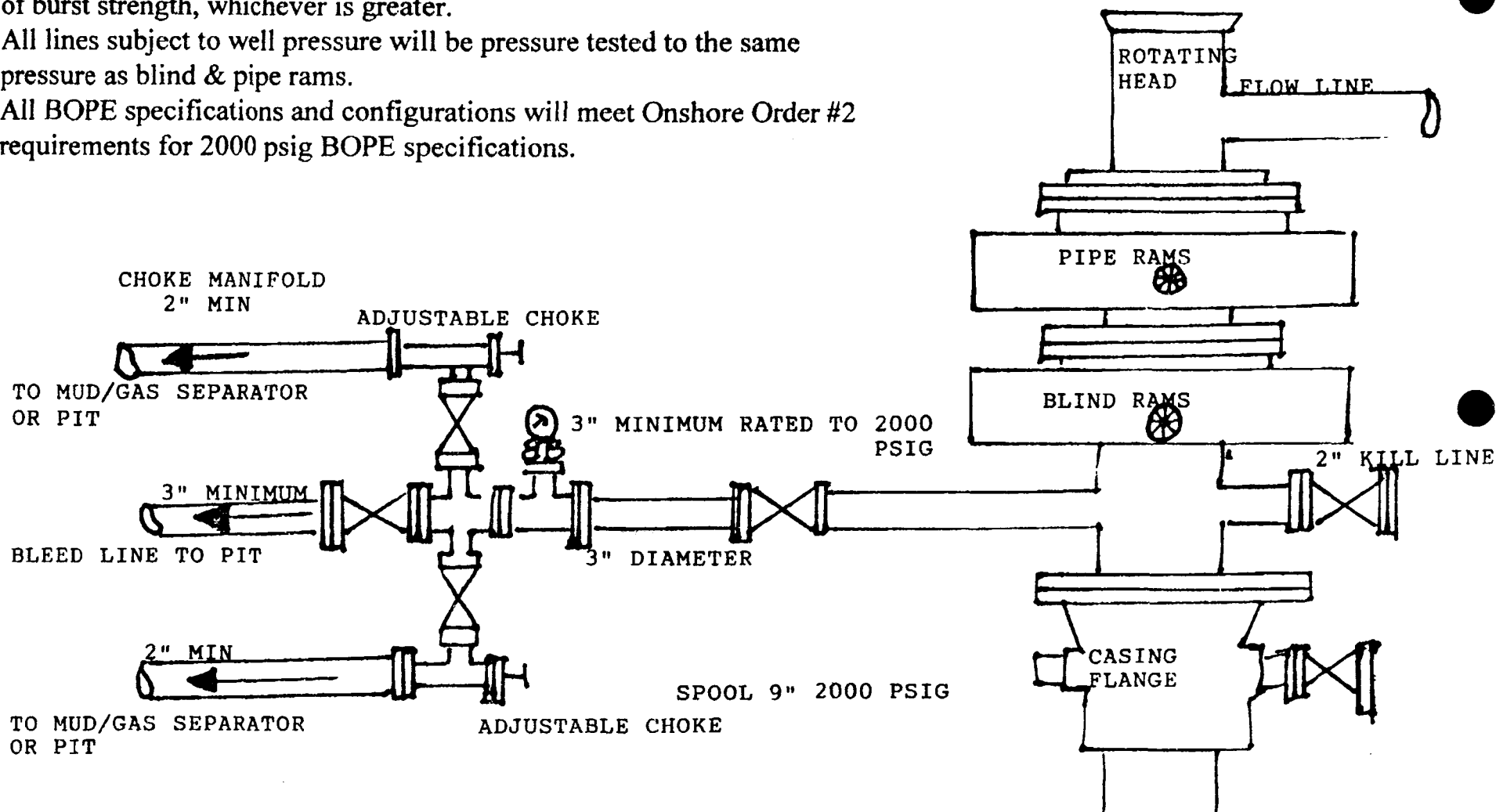
BOTH RAMS ARE 2000 PSIG RATED.

CASING FLANGE IS 9" 2000 PSIG RATED.

BOPE 9" 2000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 2000 psig
3. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 2000 psig BOPE specifications.



CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Petroglyph Operating Company
Well Name & Number: UTE TRIBAL #07-03
Lease Number: 14-20-H62-3506
Location: 630' ENL & 1776' FWL, NE/NW, Sec. 7, T4S, R3W
U.S.B.&M., Duchesne County, Utah
Surface Ownership: Ute Indian Tribe and Elmer R. Moon

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice - at least twenty-four (24) hours prior to spudding the well.

Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice To Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 17.8 miles southwest of Myton, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.6 miles in length.
See attached TOPO Map "B"
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 8%
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. A cattleguard and gate will be installed in the fence line approximately 1/2 mile South of the location. The cattleguard and gate will meet the specifications set forth in the landowner surface use agreement.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road.

Prior to upgrading, the road shall be cleared of any snow cover and

allowed to dry completely. Traveling off the 30 foot Right-of- Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, Petroglyph Operating Company shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A. Water wells - 2*
 - B. Abandoned wells - None
 - C. Temporarily abandoned wells - None.
 - D. Disposal wells - None.
 - E. Drilling wells - None.
 - F. Producing wells - 7*
 - G. Shut in wells - 3*
 - H. Injection wells - None
- (*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

- 1. Tank batteries - None
- 2. Production facilities - None
- 3. Oil gathering lines - None

4. Gas gathering lines- None
5. Injection lines - None
6. Disposal lines - None
7. Surface pits - None

B. OFF WELL PAD

1. A 4 1/2" OD steel above ground natural gas pipeline will be laid approximately 2800' from proposed location to a point in the NW/NE of Section 7, T4S, R3W, where it will tie into Petroglyph Operating Co., Inc.'s existing facility at the Ute Tribal #07-02 tank battery. Proposed pipeline crosses Ute Tribe lands, thus a Right-of-Way grant will be required. See attached TOPO Map D showing pipeline route.
2. Proposed pipeline will be a 4 1/2" OD steel, welded line laid on the surface.
3. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.
If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.
The production facilities will be placed on the 07-02 side of the location.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Target Trucking's Roosevelt Brine Storage and/or Target's water source in SE 1/4, Sec. 1, T 4S, R 5W Duchesne County, Utah (State water right #43-10152). All water will come from a non-depletable source.
- B. Water will be hauled by Target Trucking.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of

location.

- B. All construction material will come from Private Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.
 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Roosevelt sewage disposal plant.
 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
 4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval.
 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.
- Burning of trash will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On Privately owned surface :

The reserve pit will be constructed so as not to leak, break, or allow discharge.

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with Onshore Order No.7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the Southwest side of the location.

The flare pit will be located downwind of the prevailing wind direction on the Southwest side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the North end.

Access to the well pad will be from the South.

N/A Diversion ditch(es) shall be constructed on the _____ side of the location (above/below) the cut slope, draining to the _____

N/A Soil compacted earthen berm(s) shall be placed on the _____ side(s) of the location between the _____

N/A The drainage(s) shall be diverted around the sides of the well pad location.

N/A The reserve pit and/or pad locations shall be constructed long and narrow for topographic reasons _____

X Corners No. 2 & 8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS

All pits will be fenced according to the following minimum standards:

- A. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'.
- C. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location.

Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BLM or SMA specifications.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment.

11. SURFACE OWNERSHIP

Access road: Private

Location: Private

12. Additional Surface Stipulations

N/A No construction or drilling activities shall be conducted between _____ and _____ because of _____

N/A No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.

N/A No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.

N/A There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

N/A No cottonwood trees will be removed or damaged.

N/A Pond will be constructed according to BLM specifications approximately _____ ft. _____ of the location, as flagged on onsite.

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING

Ed Trotter

P.O. Box 1910

Vernal UT 84078

Telephone # (801)789-4120

Fax # (801) 789-1420

OPERATIONS

Vince Guinn

P.O. Box 607

Roosevelt, UT 84066

(801) 722-2531

Fax # (801) 722-9145

All lease/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Petroglyph Operating Company is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

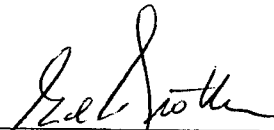
A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the Plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Petroglyph Operating Company and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

10-23-97

Date

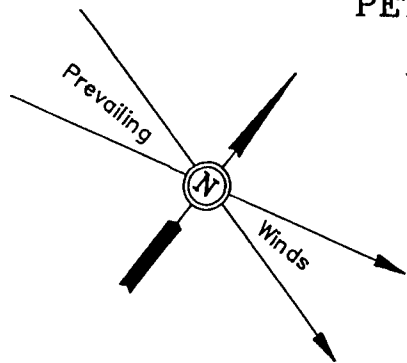


Ed Trotter, Agent-
Petroglyph Operating Company

PETROGLYPH OPERATING CO., INC.

LOCATION LAYOUT FOR

UTE TRIBAL #07-03
SECTION 7, T5S, R3W, U.S.B.&M.
630' FNL 1776' FWL



SCALE: 1" = 50'
DATE: 9-4-97
Drawn By: C.B.T.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

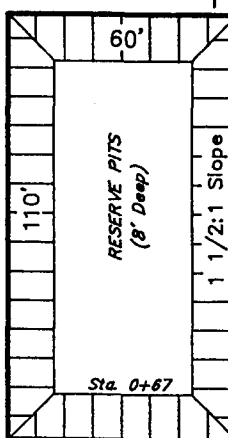
FLARE PIT

El. 87.2'
C-11.9'
(btm. pit)

NOTE:
Pit Capacity W/2' of Freeboard is ±4,600 Bbls.

Approx. Top of Cut Slope

C-7.9'
El. 91.2'



El. 90.1'
C-6.8'

Reserve Pit Backfill & Spoils Stockpile

El. 89.3'
C-6.0'

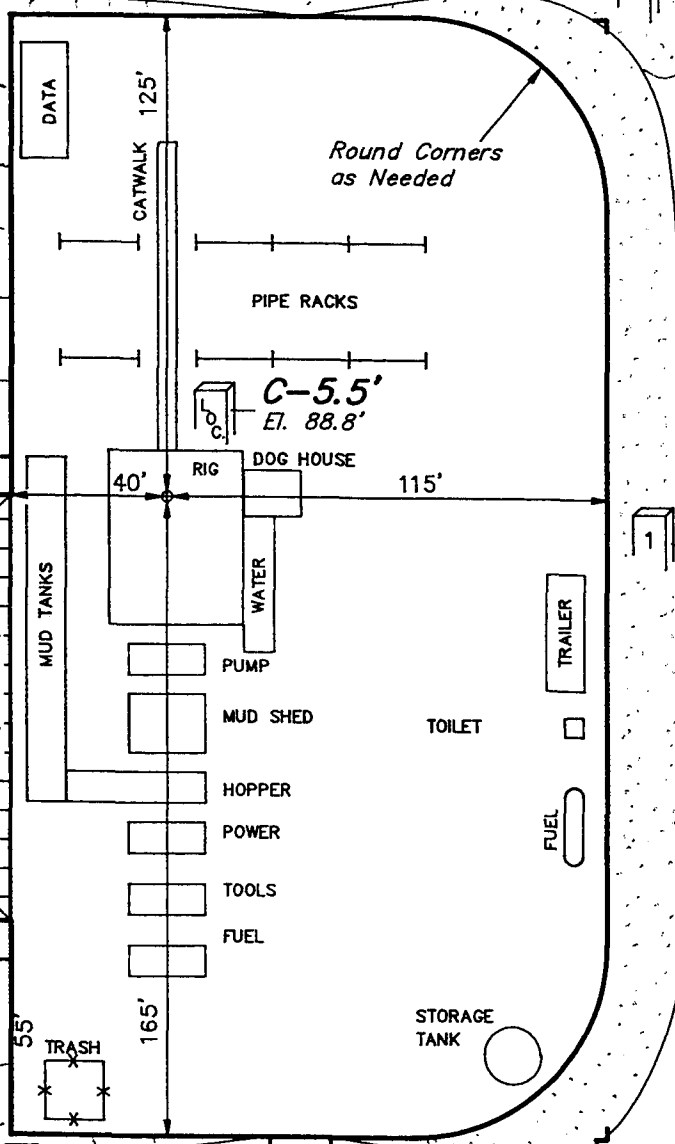
C-4.9'
El. 88.2'

C-4.8'
El. 88.1'

Topsoil Stockpile

F-10.1'
El. 73.2'

Sta. 2+90



Sta. 1+65

F-10.3'
El. 73.0'

Approx. Toe of Fill Slope

Sta. 0+00

F-10.3'
El. 73.0'

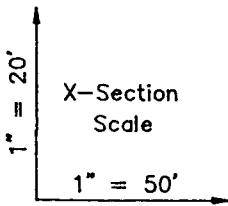
C-2.4'
El. 85.7'

Proposed Access Road

Elev. Ungraded Ground at Location Stake = 5888.8'

Elev. Graded Ground at Location Stake = 5883.3'

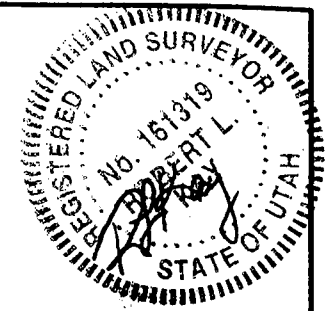
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



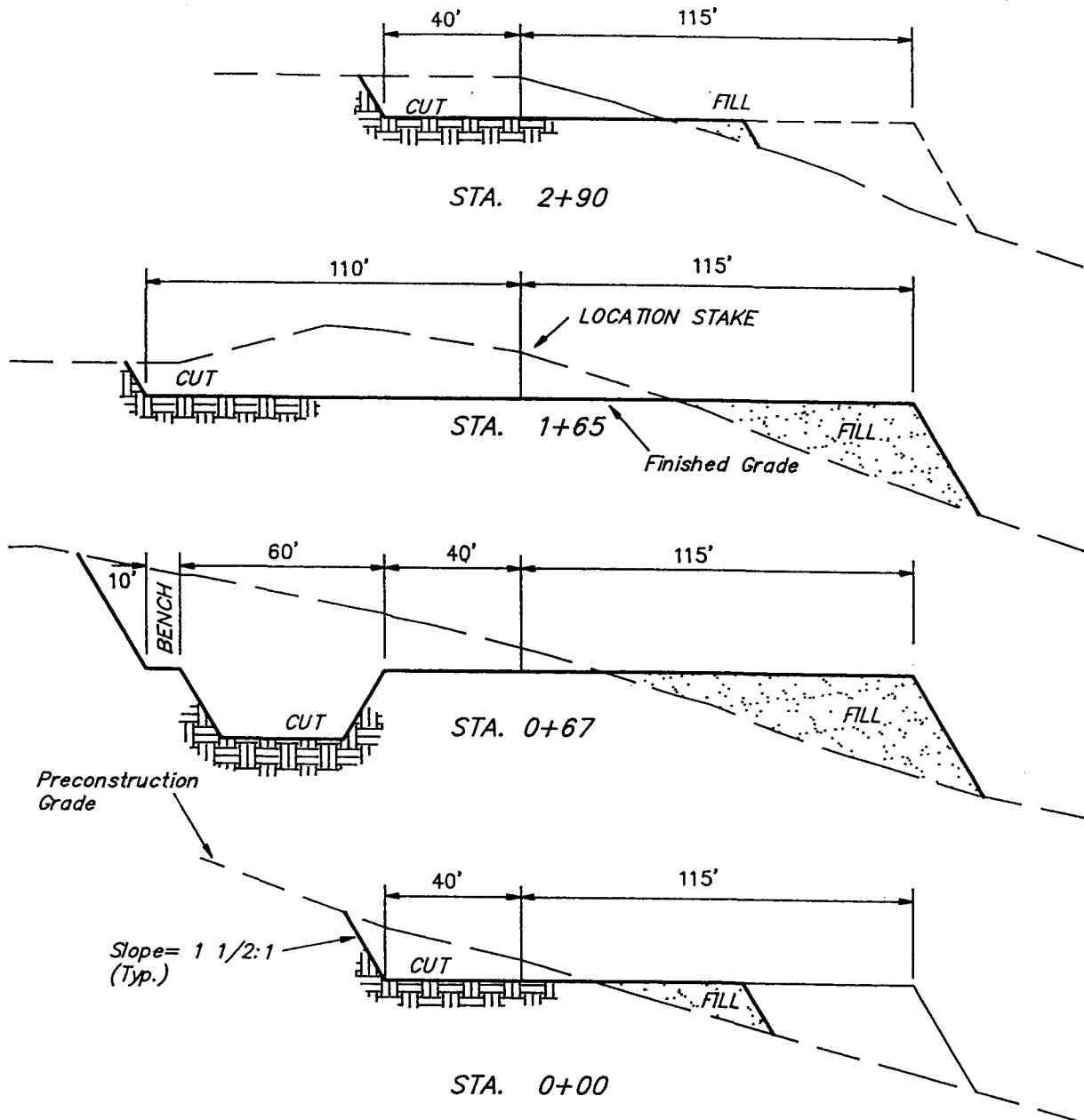
PETROGLYPH OPERATING CO., INC.

TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #07-03
SECTION 7, T5S, R3W, U.S.B.&M.
630' FNL 1776' FWL



DATE: 9-4-97
Drawn By: C.B.T.

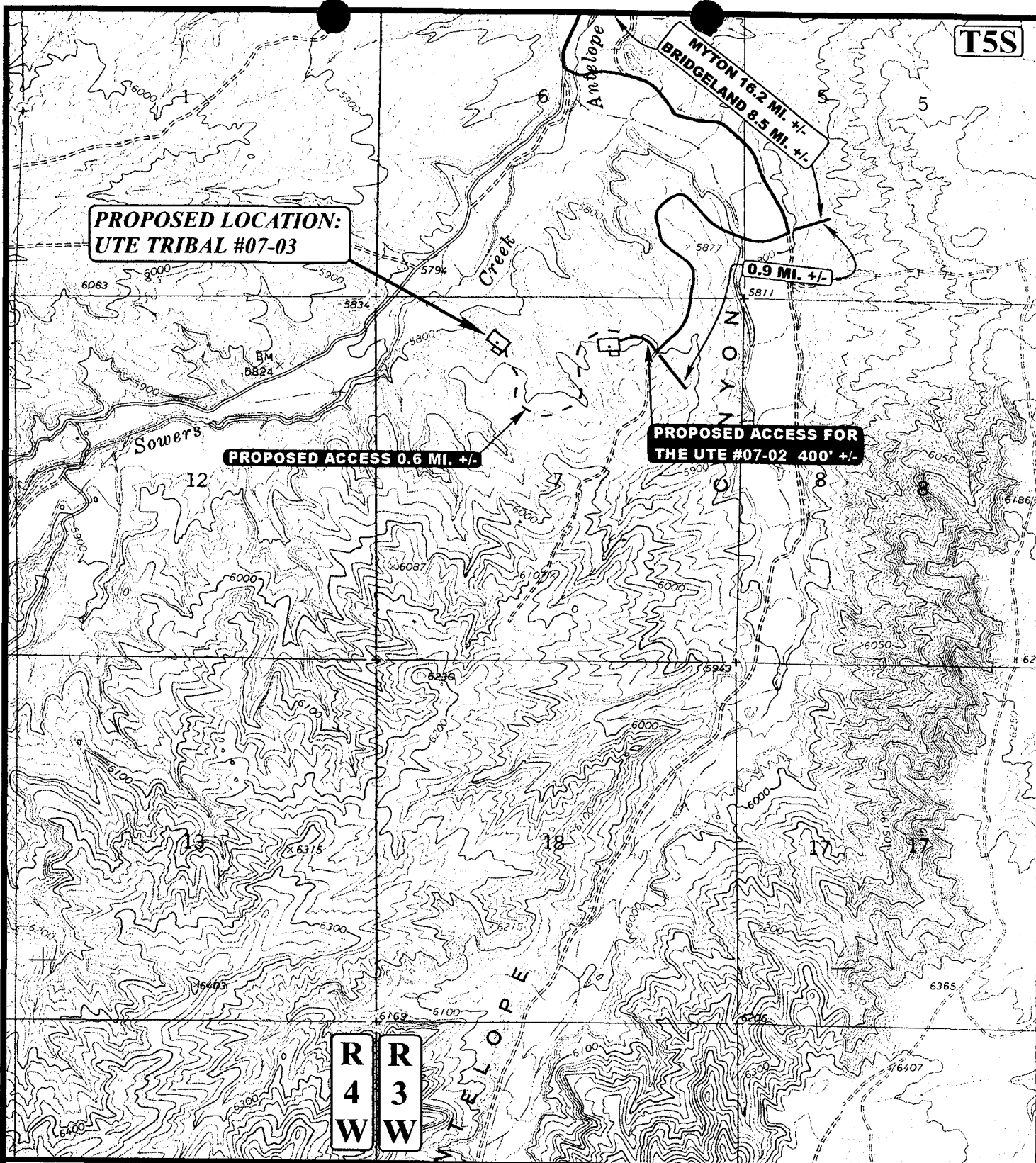


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 960 Cu. Yds.
Remaining Location	= 7,370 Cu. Yds.
TOTAL CUT	= 8,330 CU.YDS.
FILL	= 6,350 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,650 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,650 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



LEGEND:

----- PROPOSED ACCESS ROAD
 ————— EXISTING ROAD

PETROGLYPH OPERATING CO., INC.

UTE TRIBAL #07-03
SECTION 7, T5S, R3W, U.S.B.&M.
630' FNL 1776' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1018
 Email: uels@easilink.com

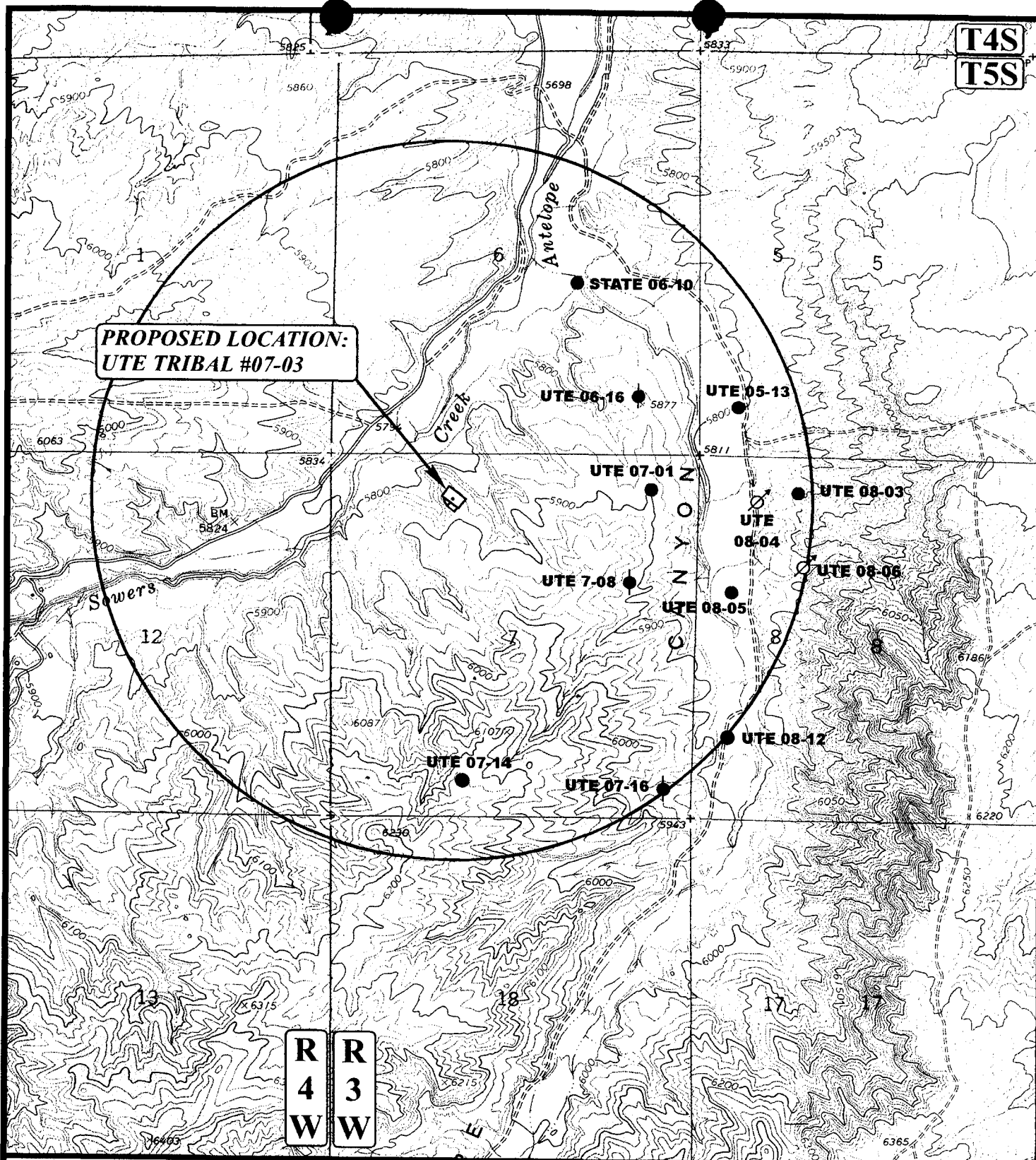


TOPOGRAPHIC
MAP

8 **26** **97**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

B
 TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

PETROGLYPH OPERATING CO., INC.

UTE TRIBAL #07-03
SECTION 7, T5S, R3W, U.S.B.&M.
630' FNL 1776' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1018
 Email: uels@easilink.com

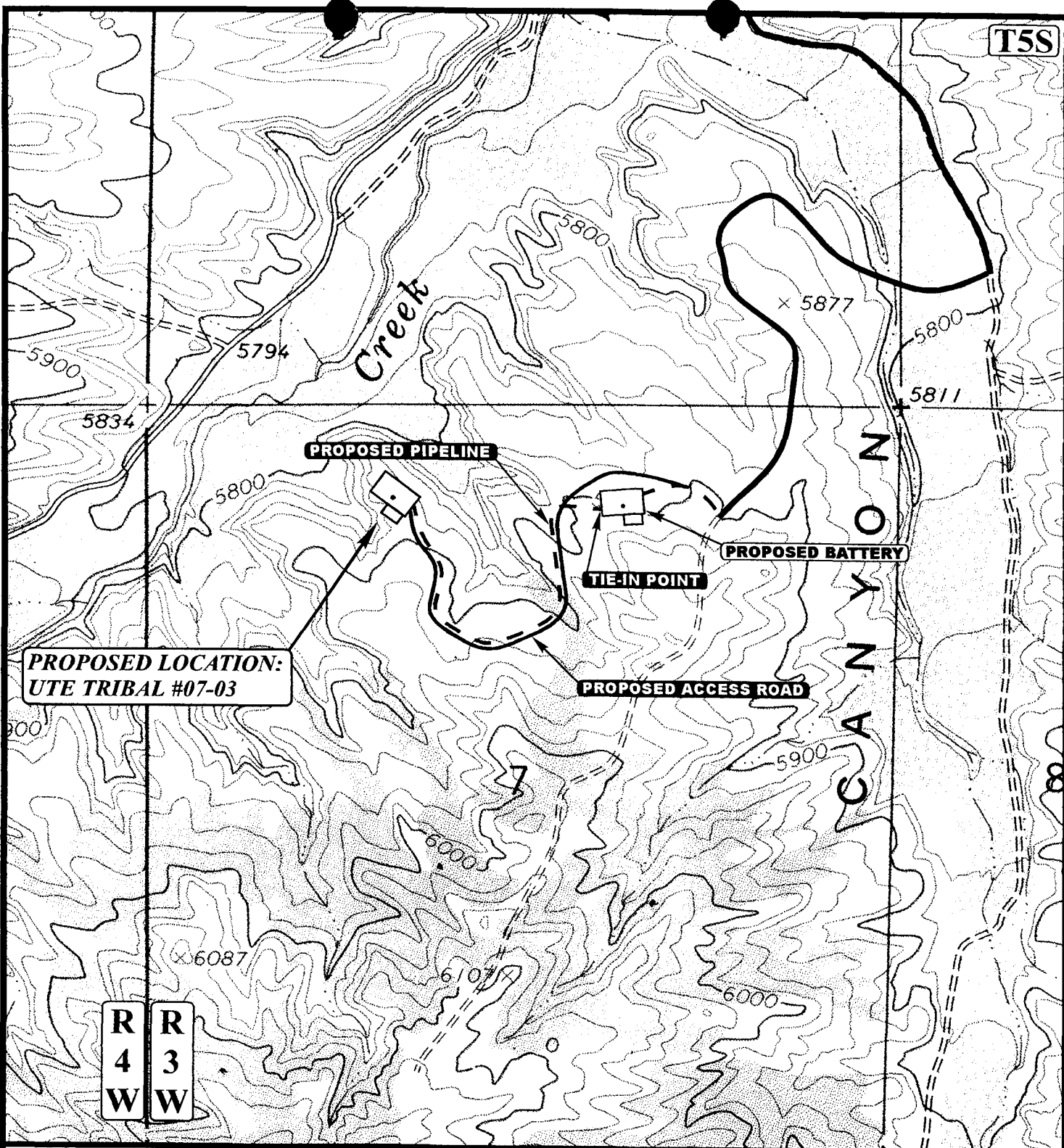


TOPOGRAPHIC
MAP

8 **26** **97**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

C
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 2800' +/-

LEGEND:

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- — — — — PROPOSED ACCESS



PETROGLYPH OPERATING CO., INC.

UTE TRIBAL #07-03
SECTION 7, T5S, R3W, U.S.B.&M.
630' FNL 1776' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

TOPOGRAPHIC
MAP

8 **26** **97**
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00

D
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/30/97

API NO. ASSIGNED: 43-013-31975

WELL NAME: UTE TRIBAL 07-03

OPERATOR: PETROGLYPH OPERATING (N3800)

PROPOSED LOCATION:

NENW 07 - T05S - R03W
SURFACE: 0630-FNL-1776-FWL
BOTTOM: 0630-FNL-1776-FWL
DUCHESNE COUNTY
ANTELOPE CREEK FIELD (060)

LEASE TYPE: IND

LEASE NUMBER: 14-20-H62-3506

PROPOSED PRODUCING FORMATION: GRRV

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(Number 4556)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 43-10152)
☒ RDCC Review (Y/N)
(Date:)

LOCATION AND SITING:

___ R649-2-3. Unit: ___
☒ R649-3-2. General.
___ R649-3-3. Exception.
___ Drilling Unit.
___ Board Cause no: ___
___ Date: ___

COMMENTS: CONF. STATUS REQUESTED, EX. LOC. OK BA

STIPULATIONS: STATE APPROVAL OF THIS WELL DOES NOT
SUPERSEDE THE REQUIRED FEDERAL APPROVAL, WHICH
MUST BE OBTAINED PRIOR TO DRILLING



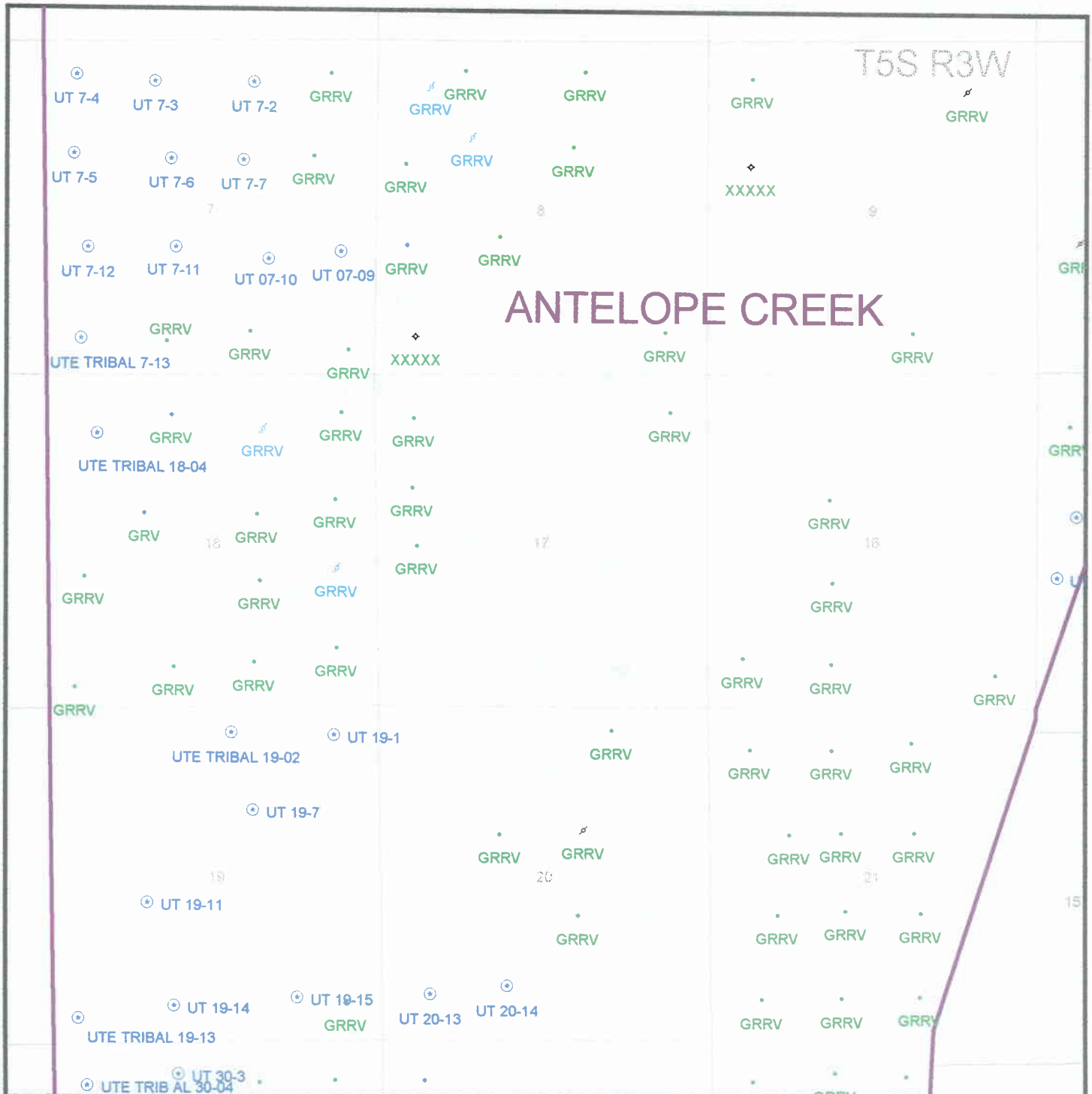
DIVISION OF OIL, GAS & MINING

OPERATOR: PETROGLYPH OPERATING (N3800)

FIELD: ANTELOPE CREEK (060)

SEC. TWP, RNG: SEC. 7 & 20, T5S, R3W

COUNTY: DUCHESNE UAC: R649-3-2 & R649-3-3



DATE PREPARED:
31-OCT-1997

State of Utah
Division of Oil, Gas & Mining
1594 West North Temple
Box 145801
Salt Lake City, UT 84114-5801

November 3, 1997

RE: Application for Exception Well Location
Proposed Ute Tribal #07-03
Township 5 South, Range 3 West
Section 7: NE/4 NW/4
Duchesne County, Utah

Gentlemen;

Petroglyph Operating Company, Inc. (Petroglyph) respectfully requests administrative approval per R-649-3-3 to drill the Ute Tribal #07-03 a 5902' Green River test, at a location 630' FNL & 1776' FWL, NE/4 NW/4, Section 7, Township 5 South Range 3 West, Duchesne County, Utah.

The aforementioned footage is not a location at which a well could be drilled in compliance with the spacing order of this lease, which established 40 acre drilling units.

Enclosed is a topographic map which depicts the surface contour in the area of the subject location. Petroglyph believes the proposed exceptionally spaced location to be the preferred location from a construction standpoint. Also this location is preferred by the Bureau of Indian Affairs Resource Department and the Ute Indian Tribe, Energy and Minerals Department who regulate activities on this land.

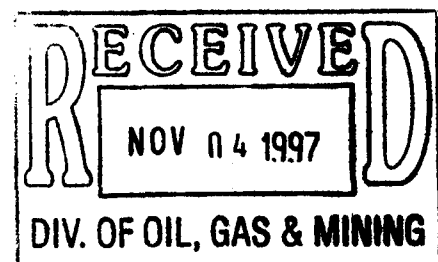
Petroglyph Operating Company Inc. holds 100% of the operating rights underlying the subject drilling unit as well as drilling units to the north, south, east and west.

Petroglyph respectfully requests the Division of Oil, Gas and Mining Administratively grant this application for the exceptional well location at its earliest opportunity.

Please direct further correspondence and approval to myself at P.O. Box 1910, Vernal, Utah 84078, or phone me at 801-789-4120.

Sincerely,


Petroglyph Operating Company Inc.
Ed Trotter, Agent



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

PETROGLYPH OPERATING CO., INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 607, ROOSEVELT, UTAH 84066

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

630' FNL & 1776' FWL NE/NW

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

17.8 MILES SOUTHWEST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 630' ±

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

640

19. PROPOSED DEPTH

5901.3'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

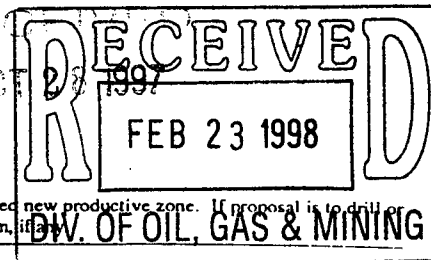
5883.3' GRADED GROUND

22. APPROX. DATE WORK WILL START*

OCTOBER 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	250'	135 sx class "G" + 2% CaCl ₂
7 7/8"	5 1/2"	15.5#	5901.3'	+ 1/4 #/sx celloflake.
				50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS). LIGHT CEMENT (11 PPG +) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+5% EXCESS).

PETROGLYPH OPERATING COMPANY, INC. WILL BE THE DESIGNATED
OPERATOR OF THE SUBJECT WELL UNDER BOND #4556.pc: Utah Division of Oil, Gas, and Mining
Bureau of Indian Affairs, Fort Duchesne, Utah

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

TITLE AGENT FOR PETROGLYPH

DATE

10-23-97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

Assistant Field Manager
Mineral Resources

DATE

FEB 20 1998

*See Instructions On Reverse Side

'DATE:

December 16, 1997

REPLY TO
ATTN OF:

Acting Superintendent, Uintah & Ouray Agency

SUBJECT:

APD Concurrence Letter for PETROGLYPH OPERATING CO

TO:

Bureau of Land Management, Vernal District Office
Attention: Minerals and Mining Division

RECEIVED
FEB 02 1998

We recommend approval of the Application for Permit to Drill on the wells listed below.

SECTION 07, TOWNSHIP 5 SOUTH RANGE 3 WEST, USB&M	
Ute Tribal 07-02, NWNE	Ute Tribal 07-06, SENW
Ute Tribal 07-03, NENW	Ute Tribal 07-07, SWNE
Ute Tribal 07-05, SWNW	

Each location will include two right-of-ways with the following:

- 1) 75 foot corridor right of way to include the following:
 - a) One buried 3" steel oil pipeline.
 - b) One buried 3" poly water pipeline
 - c) One buried 3" poly gas pipeline
 - d) One buried 6" steel water pipeline
 - e) One surface 4 ½" steel production pipeline
 - f) 4" production pipeline
- 2) 30 foot access road

Based on available information received on September 30, 1997 and December 15, 1997, we cleared the proposed location in the following areas of environmental impact.

YES x NO Listed threatened or endangered species

YES x NO Critical wildlife habitat

YES x NO Archaeological or cultural resources

YES NO Air quality aspects (to be used only if

Project is in or adjacent to a Class I area

Enclosed a copy of the Bureau of Indian Affairs, Environmental Analysis Item 6.0 for Mitigation Stipulations.

REMARKS: The Ute Tribe Energy and Minerals Department is recommending the following criteria to be adhered during all phases of construction.

1. The Ute Tribe Energy and Minerals Dept. is to be notified 48 hours prior to construction, as a Tribal Technician is to monitor construction.

2. 75 foot corridor rights of way shall be granted with the following:

- a) Buried pipelines shall be a minimum of 3 feet below soil surface.
 - b) Surface pipelines shall be limited to 13 feet wide.
 - c) Buried pipelines shall be limited to 15 feet wide.
3. Pipelines adjacent to access roads shall be buried within 1.5 feet from the outside edge of the barrow ditch. Additional pipelines shall be parallel to each other, as safety requirements will allow.
 4. Access roads shall be limited to 30 feet.
 5. Petroglyph Operating Company will assure the Ute Tribe that any/all contractors and sub-contractors have acquired a Tribal Business License and have an access permits prior to construction.
 6. All vehicular traffic, personnel movement, construction and restoration operations should be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.
 7. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
 8. The personnel from the Ute Energy and Minerals Department should be consulted if cultural remains from subsurface deposits be exposed or identified during construction.
 9. All mitigative stipulations contained in the Bureau of Indian Affairs site specific Environmental Analysis (EA), will be strictly adhered.
 10. Upon completion of Application of Right-of-way, the Ute Tribe Energy and Minerals Department, will be notified by Petroglyph Operating Company, so that a Tribal Technician can verify Affidavit of Completions.

If you have any questions in regards to the above, please feel free to contact us (801) 722-4310.

Richard L. Pitt

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Petroglyph Operating Company

Well Name & Number: Ute Tribal 07-03

API Number: 43-013-31975

Lease Number: 14-20-H62-3506

Location: NENW Sec. 07 T. 5S R. 3W

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative by the operator to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report **ALL** water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected via the cementing program. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

The Gamma Ray and Induction Logs need to be pulled from TD to the Surface Shoe.

A cement bond log (CBL) will be run from the production casing shoe to **Top Of Cement** and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

The Surface Use Conditions of Approval all come from the Bureau of Indian Affairs Concurrence Memorandum and Site Specific Environmental Analysis. They apply to that portion of the project which is on tribal surface. The surface fee owner will establish mitigative stipulations which apply to his/her property. The well pad is on fee surface property, but most of the access road and pipeline right-of-way are on tribal land. The mineral rights belong to the Ute Indian Tribe.

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. A Tribal Technician is to monitor construction.

Seventy-five (75) foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 22 feet within a 30 foot allocation of the ROW, except as granted for sharp curves or intersections.

Surface pipelines shall be limited to 13 feet of the ROW. The pipeline will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation.

Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the ROW. Where pipelines cross country between stations, they shall be welded in place at wellsites or on roads and then pulled into place with suitable equipment. Traffic will be restricted along these areas so that the pipeline ROW will not be used as an access road.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface within an area of disturbance limited to 15 feet wide, and construction will be monitored by a Tribal Technician.

Buried pipelines adjacent to access roads shall be buried within 1.5 feet from the outside edge of the barrow ditch. Any additional buried pipelines shall be parallel to the outer side of the first buried pipeline and shall be constructed as close to the first pipeline as safety requirements allow.

After construction of the buried pipeline is completed the disturbed area of the right-of-way shall be contoured to blend into the natural landscape and it shall be reseeded with desirable vegetation as recommended by the BIA. Between September 15 and November 1 of the year following pipeline construction all disturbed areas shall be reseeded with perennial vegetation according to BIA, or Ute Tribe specifications.

Petroglyph will assure the Ute Tribe that any/all contractors and subcontractors have acquired a Tribal Business License and have access permits prior to commencing surveys or construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel shall refrain from collecting artifacts and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains from subsurface deposits are exposed or identified during construction.

Before the site is abandoned, the company will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled the cuttings and mud, etc. left in them to be buried will be buried a minimum of three feet below the surface of the soil.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Firewood shall be stockpiled at convenient locations near the wellsite and along the access road.

A cattleguard shall be placed in the fenceline where the road crosses through the fence. A gate shall be placed next to the cattleguard. The cattleguard shall be maintained for the life of the well. When the well is plugged and abandoned the cattleguard shall be removed by the operator and the fence shall be repaired in a satisfactory manner.

Petroglyph, their employees, sub-contractors, and representatives shall not carry firearms on their person or in their vehicles while working on Indian lands.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Petroglyph Operating Company so that a Tribal Technician can verify Affidavit of Completion's.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 24, 1998

Petroglyph Operating Company, Inc.
P.O. Box 607
Roosevelt, Utah 84066

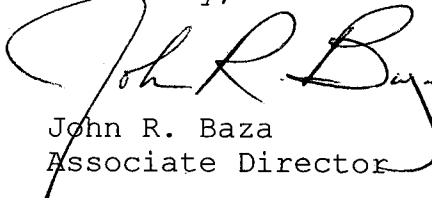
Re: Ute Tribal 07-03 Well, 630' FNL, 1776' FWL, NE NW, Sec. 7,
T. 5 S., R. 3 W., Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-31975.

Sincerely,



John R. Baza
Associate Director

lwp

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Petroglyph Operating Company, Inc.
Well Name & Number: Ute Tribal 07-03
API Number: 43-013-31975
Lease: 14-20-H62-3506
Location: NE NW Sec. 7 T. 5 S. R. 3 W.

Conditions of Approval

1. General
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.
2. Notification Requirements
Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or John R. Baza at (801)538-5334.
3. Reporting Requirements
All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.
4. State approval of this well does not supercede the required federal approval which must be obtained prior to drilling.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

March 5, 1999

Petroglyph Operating Co., Inc.
Attn: Vince Guinn
P. O. Box 607
Roosevelt, Utah 84066

Re: Notification of Expiration
Well No. Ute Tribal 07-03 *43-013-31975*
NENW, Section 7, T5S, R3W
Lease No. 14-20-H62-3506
Duchesne County, Utah

Dear Mr. Guinn:

The Application for Permit to Drill the above-referenced well was approved on February 20, 1998. Since that date no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M

*DOG M
'LA'
DATE*

